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Welfare Reform: How TANF Addresses Family Structure

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Summary

In 1996, welfare reform made substantial changes to the terms on which cash assistance is provided to needy families with children. The Temporary Assistance for Needy Families (TANF) block grant funds a broad program that aims to end welfare dependence by promoting work, job preparation, and marriage. TANF funds may also be used for two new policy goals: reducing out-of-wedlock births and promoting two-parent families among the general population.

Since 1996, states have made major changes in their cash assistance programs. States have spent the most effort promoting and supporting work, not marriage. They have devoted relatively little money and attention to programs to directly influence child-bearing and marriage decisions among welfare recipients.

In addition to reducing dependence, welfare-to-work reforms (such as time limits and work requirements) might also be expected to have impacts on family structure among the populations eligible for, and receiving, cash welfare. However, the expected impact of the various reforms is unclear and available research provides little useful evidence of the direction of these impacts.

Using caseload size as an indicator, states have succeeded in reducing welfare dependence. In fact, the cash assistance caseload has fallen by over half since its peak in 1994. Success in promoting marriage among recipients is less apparent. Many states have reduced barriers to providing cash assistance to two-parent families; despite these changes, there has actually been a decrease in the proportion of two-parent families receiving cash welfare.

Trends in family structure are likely to be affected by factors outside the welfare system, and a few states have begun operating programs to address family formation issues among their general populations using TANF funds. An examination of trends shows substantial improvement in reducing the nonmarital teen birth rate in recent years; however, the proportion of teen births which are nonmarital is still close to 80%. Among women aged 15-44, the proportion of all births which are out-of-wedlock has remained at roughly 33% for several years. In addition to trends in births, a number of related changes in living arrangements and household composition have implications for success in meeting the TANF goals; for instance, cohabitation among unmarried partners continues to increase.

To date, state TANF programs have not included a major push to promote marriage or influence family formation decisions. However, this may change after the next reauthorization cycle. On February 13, 2003, the House passed a TANF reauthorization bill (H.R. 4) that included substantial new funding for marriage promotion. During the 107th Congress, the Senate Finance Committee passed a bill (H.R. 4737) that also included funding dedicated to marriage promotion, but the legislation was never considered by the full Senate. The Senate has not yet taken action on TANF reauthorization in the 108th Congress.

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Welfare Reform: How TANF Addresses Family Structure

Introduction

The federal welfare system as it existed prior to reform in 1996 was thought to contain a number of incentives that contributed to long-term dependence among welfare recipients and that aggravated trends in out-of-wedlock births and family break-ups (single-mother families) among the general population. Pressure to pass a major overhaul of the welfare system intensified until August 1996, when the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into law. PRWORA replaced the 60-year old Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) block grant.¹ TANF made major changes to the terms on which cash assistance is provided, and gave states broad authority to address family formation issues both within and beyond the scope of the cash assistance program.

The statutory purposes of the TANF program (listed in **Box 1**) show the emphasis that lawmakers placed on family structure. Three of the four TANF purposes specifically address marriage or nonmarital child-bearing. The second TANF purpose allows states to specifically promote marriage (as well as work and job preparation) as a means of reducing dependence on government benefits. Such activities are limited to financially needy families. Additionally, TANF allows states to spend funds to reduce out-of-wedlock births and to promote the maintenance of two-parent families among the general population, without regard to income or receipt of cash assistance.

Box 1. The Purposes of TANF

(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families.

-Section 401 of the Social Security Act

These three purposes gave states unprecedented authority to attempt to influence family structure using public assistance funds and policy. Much of the rationale for this broad mandate was to allow states to address some of the negative

¹ TANF also replaced the Emergency Assistance Program (which provided assistance to families facing a short-term crisis), the Job Opportunities and Basic Skills Program (the work and training component of the AFDC program), and AFDC-related child care programs.

consequences for children associated with single-parenthood. In granting this authority, TANF raised concerns about government intrusion into private decisions about marriage and childbearing, as well as potential infringement on women's reproductive rights. The ability to use TANF funds for active government promotion of marriage also raised fears about potential indirect effects of such policies, particularly that some women might be "forced" into bad marriages (or trapped in them) as a result of such policies, or that federal policies would begin to discriminate against single-parent families.²

Six years later, however, there is little evidence that states have utilized this authority. Under TANF, states have concentrated their efforts – and their spending – on reducing dependence among needy families, primarily through promoting and supporting work among welfare recipients and other low-income working families. In FY2000, spending on efforts to address the family formation goals accounted for only 1% of combined federal and state spending under TANF.

During the recent TANF reauthorization debates in Congress, there has been broad support for efforts to increase funding specifically for marriage promotion. In light of this potential re-emphasis on family formation, it is useful to examine what states have been doing to address the family formation goals, and why there has not been more activity in this area.

In this report, we will describe TANF's attempts to influence family structure among two groups: the cash welfare population and the general population. In Part I, we will examine how TANF attempted to address the incentives thought to be contained in the welfare system under AFDC. Because theory suggests, and some research supports, that work-related reforms could indirectly increase the incentive to marry relative to receiving welfare among current and potential recipients, we will include such changes in our discussion. We will describe the TANF programs states are operating and the expected impacts of these programs on family structure, and present experimental and actual evidence on the effects of these changes on the welfare population.

In Part II, we will examine how states have used the freedom they were granted under TANF to attempt to influence family formation among their general populations. We will discuss trends in family structure among the general population, the potential impact of programs operated outside of the welfare system, and how TANF reauthorization proposals would affect federal support for family formation activities.

² For a recent discussion of these concerns, see Testimony of Laurie Rubiner in U.S. Congress, House Committee on Ways and Means, Subcommittee on Human Resources, 107th Cong., 2nd sess., May 22, 2001, available at [<http://waysandmeans.house.gov/humres/107cong/5-22-01/5-22rubi.htm>].

Part I: Addressing Family Formation within the Welfare System

TANF made major changes to the terms on which cash assistance is provided, and attempted to address many of the incentives within the prior law program of Aid to Families with Dependent Children (AFDC) that were thought to contribute to welfare dependence and family instability. TANF rules also included a number of provisions to address family structure among cash assistance recipients, including removing restrictions on eligibility for two-parent families and imposing restrictions on teen parents.

Although states have the ability to explicitly promote marriage as a means of reducing welfare dependence under TANF, most states have not done so. Instead, the main focus of the reforms in the cash assistance program has been on reducing welfare dependence through work. To the extent that such efforts to promote work result in increased financial independence, they may also have indirect effects on family formation decisions.

Incentives of the AFDC System

The AFDC program was established in 1935 to support children in families that were deprived of the support of a parent because of death or abandonment.³ AFDC benefits were available to citizen or legal alien children who lived in the home of a parent or other relative, and whose family met income and resource tests. Originally, benefits were provided only on behalf of the children in such families. In 1950, however, the program was expanded to include the needs of the mother in the grant.

Because of its roots as a program to help families *because* they did not have the support of a parent, federal AFDC rules originally excluded married two-parent families, except in cases where a parent was disabled. Federal funding for cash benefits to families with two able-bodied parents was first provided in 1961. At that time, states were given the option to aid two-parent families (married or unmarried) with an unemployed parent.⁴ Between 1961 and 1990, roughly half of the states (29) exercised the option to operate a UP program. In the remaining states, two-parent families were ineligible for benefits during this time. Under provisions of the Family Support Act (FSA) of 1988, all states were required to offer AFDC-UP benefits by October 1990 to two-parent families, at least for part of the year.

Even after all states had adopted UP programs, the proportion of two-parent families on the AFDC caseload was low (under 10% of the entire caseload in all years the program operated), and welfare assistance remained primarily a source of

³ The program was known as Aid to Dependent Children (ADC) from 1935 until 1962, when “families” was added to the name.

⁴ The state option to provide AFDC-Unemployed Parent (UP) benefits to two-parent families was not incorporated into permanent AFDC rules until the Social Security Amendments of 1967.

support for single (unmarried) mothers with children.⁵ Over time, the welfare system became the subject of attacks, with some observers linking the rise in “illegitimacy” and single-parent households with a federal welfare policy that was perceived to contain disincentives to marry (or to stay married).

The perverse family formation incentives under AFDC were thought to operate through several channels and at several points in the cash assistance system. Most importantly, federal rules for assisting married, two-parent families (described below) were much more restrictive than those which applied to single-parent cases. An unmarried mother’s welfare status could also be affected by decisions about living arrangements or changes in marital status.

Restrictions on Two-Parent Families. AFDC-UP assistance was restricted to families in which the principal wage earner was both employed fewer than 100 hours per month and able to meet a work history test.⁶ Federal rules also required AFDC-UP recipients to apply for Unemployment Compensation benefits and imposed a 30-day waiting period before a two-parent family could apply for cash assistance.

Although the FSA guaranteed that all states would offer assistance to married two-parent families after 1990, it also allowed states to impose additional restrictions on such families. States could choose to require AFDC-UP families to engage in “pay-after-performance” contracts, where benefits were to be paid only after participation in required activities for 40 hours per week. In addition, states that were required to adopt AFDC-UP programs because of the FSA (i.e., states that were not already offering UP benefits prior to October 1990) had the option of imposing a time limit of 6 months within any 12-month period on receipt of AFDC-UP benefits.

Living Arrangements. Although married parents who were living together as a family were not eligible to receive benefits under the basic AFDC program, cohabitation with an unmarried partner had been allowed since the late 1960s. Prior to that, single mothers who were living with a man could be considered ineligible for AFDC assistance if the state considered that man responsible for the children. In 1968, the Supreme Court ruled in *King v. Smith* (392 US 309) that the presence of a man in the house who was not legally obliged to support the children could not, in itself, make a family ineligible for AFDC (i.e., a man’s presence did not establish evidence of parental support).

⁵ For instance, two-adult cases made up 8% of all AFDC cases in FY1994, and single-adult cases made up 74% of the caseload. No-adult cases, in which no adult in the household receives benefits, accounted for 17% of AFDC cases in FY1994. See U.S. Department of Health and Human Services, Administration for Children and Families, *Characteristics and Financial Circumstances of AFDC Recipients: FY1994*.

⁶ The principal wage earner was defined as the earner with the greatest income in the 24 months prior to the application for assistance. The 100-hour rule could be waived if the excess hours were shown to be temporary. The work history requirement could be met by having 6 or more quarters of work (earnings of at least \$50) within any 13-quarter period ending within 1 year of application, or through receipt of (or eligibility for) Unemployment Compensation benefits in the 12 months prior to application.

The Supreme Court went further in *Lewis v. Martin* (397 US 552) in 1970, by striking state policies that automatically counted the income of cohabiting males for purposes of eligibility and benefit levels, and requiring instead that this income be explicitly available to the family before it was counted. Within the guidelines established by *Lewis v. Martin*, states could choose how to count the income of all cohabiting males until federal rules changed in 1982.

Beginning in 1982, federal AFDC rules required that a portion of step-parent income had to be counted toward determining a case's eligibility (discussed further below). Treatment of the income of an *unmarried* cohabiting male, however, continued to be subject to state discretion. A 1993 survey of the states revealed complicated rules for counting an unmarried cohabitor's income and for dealing with shared expenses. Generally, the survey showed that treatment of cohabitor income was much more lenient than treatment of step-parent income.⁷

Effect of Marriage on Continuing Eligibility. As noted, states were required to “deem” a portion of step-parent income as available to the assistance unit when determining eligibility after 1982. States also had to decide whether to provide benefits to these two-parent families under regular AFDC or under AFDC-UP. As of 1993, in all but seven states, step-parents were *not* considered legally responsible for their step-children. In these states, step-families could potentially be eligible for basic AFDC benefits.⁸ In the seven states where step-parents were considered legally responsible, step-families were eligible only for AFDC-UP benefits. Overall, the restrictive rules for two-parent households in the AFDC-UP program and the treatment of step-parent income may have compounded the disincentive to marry.

Researchers have made numerous attempts to measure the effects of AFDC on household composition, and fertility. The majority of these studies assume that women's “choices” about family formation were affected by economic incentives within the welfare system. Overall, the results of these studies are inconclusive in regards to the effect of AFDC on family structure, although AFDC was found to have some effect on household composition (see **Box 2**).⁹ Federal TANF rules dealt with some of these pressures, as will be discussed below, but the incentives were complicated and potentially competed with other changes to the program.

⁷ The study estimated the rate of cohabitation among women aged 18-55 on AFDC between 1987 and 1990 at between 8 and 9% using multiple panel surveys. Rates of cohabitation are even higher if only unmarried women are examined. Despite the potential incentives to cohabit revealed by the survey, an analysis of panel survey data showed weak evidence of an incentive effect. Robert A. Moffitt, Robert Reville, and Anne E. Winkler, *Beyond Single Mothers: Cohabitation, Marriage, and the U.S. Welfare System*, Population Studies and Training Center, Brown University, Working Paper, Sept. 1995.

⁸ In most states, however, step-parents continued to be ineligible for AFDC benefits themselves.

⁹ For a more recent review of this literature, see Robert A. Moffitt, “The Effect of Welfare on Marriage and Fertility,” in Robert A. Moffitt, ed., *Welfare, the Family, and Reproductive Behavior: Research Perspectives*, (Washington: National Academy Press, 1998).

Box 2. Testing the Incentives Model

Researchers have found different degrees of connections between welfare benefit levels and program rules, but no clear picture emerges regarding the incentive effects of the welfare system. Overall, welfare programs were not found to be directly responsible for variations in family structures. There is a consensus that AFDC had some vague effects on marriage and nonmarital childbearing, but that these effects were insufficient to account for the dramatic rise in female-headed households. More specifically, AFDC was not thought to have a large effect on the number of single mothers in the state; however, AFDC benefit levels were believed to have an effect on living arrangements, with women in states with higher benefit levels being much more likely to live independently.

See David T. Ellwood, and Mary Jo Bane, "The Impact of AFDC on Family Structure and Living Arrangements," *Research in Labor Economics*, vol. 7, pp. 137-207, and Robert A. Moffitt, "Incentive Effects of the U.S. Welfare System: A Review," *Journal of Economic Literature*, vol. 20, pp. 27-31.

Extent of Welfare Dependence. The AFDC caseload increased steadily during the 1960s and the early 1970s, then remained relatively stable for a number of years. Even during a time of strong economic growth in the 1980s, the caseload did not decline, raising concerns about whether receiving welfare was becoming a way of life for some recipients.¹⁰

As the caseload rose again in the late 1980s and early 1990s, observers became more convinced that AFDC rules were fostering dependence. Under AFDC, receipt of cash assistance was an entitlement for families who qualified under federal and state rules. A single-mother family who received AFDC benefits would remain eligible as long as the family met the requirements. Additionally, AFDC rules were thought to contain a disincentive to work, because working recipients essentially lost \$1 of benefits for every \$1 they earned over \$120 per month.

Analyses of the amount of time families spent on welfare showed mixed results. Most AFDC recipients received benefits for less than 2 years at a time. However, a significant fraction of recipients accumulated several years of receipt over time. Among welfare recipients who began receiving AFDC in 1993, 31% received benefits for 4 or fewer months; over half (56%) received assistance for 1 year or less; and two-thirds (69%) received assistance for 20 months or less. Although the majority of individual spells on welfare might be short, among all recipients who received benefits between 1987-1996, over one-fifth (22%) received benefits for more than 5 years within that 10-year period.¹¹

¹⁰ There have been numerous attempts to determine what role economic factors, welfare policy (particularly waivers), and the increase in female-headed households played in the size of the welfare caseload under AFDC. See, for example, Robert Moffitt, *The Effect of Pre-PRWORA Waivers on AFDC Caseloads and Female Earnings, Income, and Labor Force Behavior*, John Hopkins University, May 1999.

¹¹ See: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Indicators of Welfare Dependence: Annual Report to the Congress 2002*, available at [<http://aspe.hhs.gov/hsp/indicators02/>].

Waivers and Welfare Reform

Even before the passage of the 1996 law, states could apply for “waivers” of some federal AFDC rules. In total, 41 states experimented with a waiver of at least one of the federal AFDC-UP restrictions in the 4 years prior to the enactment of the 1996 welfare reform law.¹² By removing some of the barriers to assisting two-parent families, states were trying to address the growing perception that AFDC contained *disincentives* to marry.

States who were granted such waivers were required to conduct evaluations of the programs operated under the waivers. For the most part, these evaluations of waiver programs did not measure or report outcomes related to either being in a two-parent family or marriage (e.g., the AFDC-UP waivers were part of a larger welfare reform experiment). Those that did report outcomes related to being in a two-parent family or marriage usually found that the welfare reform program had no impact on them. Results from evaluations that did find impacts on marriage and marital stability are discussed in more detail below.

The application for and granting of waivers was a recognition of some of the suspected flaws in the AFDC system. Federal TANF rules would attempt to address many of the incentives that were thought to be inherent in the welfare system and would give states flexibility to address some of these issues outside of the welfare system as well. As we will see, states have taken advantage of that flexibility to operate programs to promote and support work within their cash assistance programs, and among low-income working families. A large number of states have also done away with the AFDC-UP eligibility restrictions for two-parent families.

Cash Assistance Programs Under TANF

In August 1996, PRWORA replaced AFDC with TANF. Federal TANF rules made substantial changes to the terms on which cash assistance is provided. Most importantly, TANF ended welfare’s entitlement status, meaning that states were no longer legally obligated to provide assistance to needy families. In addition to losing their legal entitlement to assistance, TANF recipients would have to both qualify (financially and categorically) and comply with new requirements in order to receive cash assistance. For example, recipients of cash assistance are required to participate in work or work activities within 2 years of coming onto the rolls.¹³ In contrast to

¹² For more information on waivers, see: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Setting the Baseline: A Report on State Welfare Waivers*, June 1997, at <http://aspe.hhs.gov/hsp/isp/waiver2/title.htm>

¹³ TANF recipients must also comply with child support enforcement (unless they are exempt because of domestic violence concerns) and with immunization requirements as a condition of receiving assistance. For more details on specific provisions of federal TANF rules and state policy choices, see CRS Report RL30695, *Welfare Reform: State Programs of Temporary Assistance for Needy Families (TANF)*, by Emilie Stoltzfus, Gene Falk, and Vee Burke.

AFDC, TANF benefits cannot be provided indefinitely; federally-funded TANF assistance is generally limited to 60 months for cases that include an adult recipient.¹⁴

TANF Provisions based on Family Structure. In addition to changes regarding time limits and work requirements, federal TANF rules also contain a number of provisions that affect eligibility based on family structure. These provisions attempted to address some of the problems that were thought to be inherent in prior law welfare rules, such as the special restrictions on two-parent families. As discussed in **Box 3**, few states have made active attempts to promote marriage among their cash assistance recipients.

Box 3. Marriage Promotion Activities Directed at Welfare Recipients

There has been almost no effort by states to promote marriage *among their welfare recipients*. A HHS-commissioned report noted that in only one state (Oklahoma) are caseworkers actively trained and asked to promote marriage to welfare recipients. Other states may follow, however. In July 2001, Michigan approved a marriage promotion pilot program focusing on responsible fatherhood. During the pilot, unwed TANF recipients in five counties will be obligated to participate in services which include classes in parenting skills and “marriage exploration”; for all other families in these counties, participation in these services will be voluntary. In addition, current proposals for TANF reauthorization from both the House and Senate include substantial additional funds for marriage promotion activities.

See Karen Gardiner, Michael Fishman, Plamen Nikolov, Asaph Glosser, and Stephanie Laud for U.S. Department of Health and Human Services, *State Policies to Promote Marriage, Final Report*, Sept. 2002, at [<http://aspe.hhs.gov/hsp/marriage02f/>], and Amy Goldstein, “Tying Marriage Vows to Welfare Reform,” *Washington Post*, Apr. 1, 2002, p. A1.

Treatment of Two-Parent Families. As noted, many states had already begun to loosen eligibility restrictions for two-parent families under waivers from AFDC rules. TANF has no federal rules like AFDC-UP to restrict two-parent eligibility. Under TANF, the majority of states (40) have used this flexibility to reduce barriers to eligibility for two-parent families. However, nine states continue to use the AFDC-UP rules for determining two-parent eligibility, and one state (South Dakota) has imposed more restrictive rules for two-parent family eligibility than were in effect under AFDC. Only one state (North Dakota) no longer provides cash assistance to two-parent families.¹⁵

Although TANF allows states to loosen *eligibility* requirements for two-parent families under TANF, two-parent families receiving assistance continue to face stricter work requirements. Two-parent families receiving federal TANF funds are subject to harsher work requirements, both in terms of how many hours these families are required to participate in work activities and in what percentage of these families the state must have engaged in work activities in order to receive its full block grant allotment.¹⁶ As a result, 14 states operated separate state programs

¹⁴ States can continue to provide federally-funded assistance beyond 60 months to up to 20% of their average monthly caseload. States can also provide assistance beyond 60 months using only state funds.

¹⁵ Puerto Rico and the Virgin Islands do not serve two-parent families under TANF either.

¹⁶ In FY2002, states were required to have 50% of their adult-headed cases participating in (continued...)

(funded with no federal TANF dollars) to serve some or all of their two-parent families in FY2001.¹⁷ Generally, these separate state programs have work requirements and eligibility rules that are similar to those in the state's TANF program for single-parent families.

As discussed below, the 2002 TANF reauthorization debate included proposals to reduce what are seen to be continuing barriers to serving two-parent families. Under the proposals, states would be prohibited from discriminating against two-parent families in eligibility rules. There was also widespread agreement over eliminating the higher two-parent work standard.

Effect of Marriage on Continuing Eligibility. Several states have also attempted to address the disincentives to marriage for *current* recipients. As noted, under AFDC, the inclusion of income from an additional earner would result in ineligibility for a case. Several states have instituted policies to remove this disincentive by modifying the treatment of stepparent income and, in one state, providing a cash incentive to married couple families. Alabama, Mississippi, North Dakota, and Oklahoma disregard the income of a new spouse for a specified time (3 to 6 months).¹⁸ In addition, New Jersey and Tennessee disregard stepparents' income if it is below a certain threshold. Maine and Minnesota have also required or allowed stepparents to be included in the assistance unit. West Virginia is the only state that currently provides a marriage incentive payment, in the form of a \$100 per month bonus for married-couple families.¹⁹

Family Cap. Under waivers from AFDC rules, several states experimented with "family cap" policies, which deny (or limit) additional benefits to a new child born to a family already receiving assistance. Because cash assistance under TANF

¹⁶ (...continued)

30 hours of countable activities per week in order to receive their full grant allotment. The rate and required hours for the subset of the caseload that was characterized as a two-parent family was 90% of the caseload participating in allowable activities for 35 hours (55 hours if the family received federally-subsidized child care). The required percentages are reduced based on a measure of caseload decline, which led to substantial reductions in effective work standards in most states; still, five states failed to meet the two-parent work requirements in FY2001 (the latest year for which this information is available).

¹⁷ The 14 states that operated separate state programs for two-parent families in FY2001 are Alabama, California, Connecticut, Delaware, Florida, Hawaii, Indiana, Maryland, Nebraska, New Jersey, Rhode Island, Tennessee, Utah, and Virginia. U.S. Department of Health and Human Services, Administration for Children and Families, Memorandum No. TANF-ACF-IM-2002-02, dated Oct. 17, 2002.

¹⁸ To discourage cohabitation, Oklahoma actually counts the income of unmarried, cohabiting couples.

¹⁹ As of Sept. 2002, West Virginia had spent \$12.8 million to provide the bonus. Cheryl Wetzstein, "Welfare promotes marriage," *Washington Times*, Sept. 16, 2002, at [<http://www.washtimes.com/national/20020916-9551968.htm>]. According to the report commissioned by HHS, Washington and Mississippi both had legislation introduced to provide a lump-sum payment to families who married and remained married for a certain period, but neither bill made it out of committee.

is no longer an entitlement, all states are free to impose family caps on recipients. As of 2002, 23 states imposed some sort of family cap on recipients. In most of these states, assistance is explicitly denied for a child born more than 10 months after a family applies for assistance (except in cases of rape or other extreme circumstances). In Wisconsin, the cap is implicitly imposed by paying the same grant regardless of family size.

Restrictions on Teen Mothers. Teen mothers face new restrictions on their eligibility under TANF. States may not use federal TANF funds to assist unwed teen mothers (under age 18) unless they live in the home of an adult relative or in an approved adult-supervised setting. States must help these mothers find appropriate adult-supervised living arrangements if they do not already live in such a setting. These teen mothers must also attend school or training if they have not completed high school or its equivalent.

Cooperation with Child Support Enforcement. TANF requires single mothers to comply with paternity establishment and child support enforcement as a condition of eligibility. Failure to comply can render a family or the adult in that family ineligible for assistance (or may reduce their benefit if they are already on the rolls).

Promoting and Supporting Work. In many cases, federal TANF rules explicitly allow states flexibility in implementing TANF principles within their cash assistance programs. States have used this flexibility to reduce dependence and promote work. For instance, states can choose to require participation in work activities before the federal time limit of 24 months, and many have. A handful of states have also imposed lifetime limits on receipt of benefits that are shorter than 60 months. Overall, the effect of these reforms has reduced the ability of recipients to be dependent on welfare.

In terms of promoting work, the largest changes from AFDC have been the stricter requirements regarding participation in work activities (particularly in job search), the imposition of sanctions for noncompliance, and how earnings are counted in determining eligibility for, and the amount of, welfare benefits. Together, these policies enforce the message that recipients are expected to work for their welfare.

Federal TANF rules and state policy choices require recipients to make active attempts to find employment. Federal rules require most adult recipients to engage in work activities within 24 months of receiving assistance, or when they are determined to be “work-ready.”²⁰ Many states have set shorter limits on how soon an adult recipient must participate in work. In several states, applicants for cash assistance must conduct a job search before their application will even be approved.

²⁰ Federal TANF rules allow exemptions for single parents caring for an infant under the age of 12 months, and exclude these parents in calculating work participation rates. States can exempt parents of older children from work requirements, but must count these families when calculating the work participation rate. Federal rules also required states to engage recipients in community service after 2 months, unless the state explicitly opted out of this provision. The vast majority of states have opted out.

In the majority of states, non-exempt adult recipients are either required to immediately participate in job search, register with the state's employment center, or participate in a pay-after-performance work activity.²¹

States are also required to impose financial sanctions on recipients who fail to comply with work requirements. States have some discretion in determining the amount of the sanction they impose, as well as how subsequent sanctions will be treated. The majority of states reduce the case's benefit for the first failure to comply with work requirements. In 19 states, however, the first failure to comply with a work requirement can result in the closure of the entire family's cash assistance case. Additional states close cases after multiple violations.²²

In addition to enforcing work requirements, states have also made policy choices that make work more attractive to recipients. Under federal AFDC rules, recipients who went to work essentially lost \$1 of welfare benefits for every \$1 of earnings above the first \$120 earned each month. Under TANF, states have the ability to determine how earnings are counted. All states have increased the amount of earnings that is disregarded in determining benefits to increase the attractiveness of work relative to welfare alone.²³ Such policies essentially allow recipients to work and receive an earnings supplement. As a result, the proportion of cash assistance recipients working under TANF has increased greatly relative to AFDC.

States also provide a broad range of supports to working families under TANF, including child care and transportation subsidies.²⁴ These efforts to promote and support work have been the focus of most states' cash assistance programs. As discussed in the next section, these work-focused reforms, especially increased earnings disregards, may have indirect consequences for family structure.

Effect of Welfare-to-Work Reforms on Family Structure

By imposing work requirements and time-limiting cash assistance, federal TANF rules theoretically reduce the attractiveness of welfare as an option for single women with children (or for single women contemplating having children). These

²¹ Although the majority of states reported that adult recipients must participate in job search, in FY2001, only 6% of adult recipients were shown as participating in such activity. (26% were shown as employed.) This may be partially explained by the fact that job search may only be counted toward the work participation rate for 4 consecutive weeks (and 6 weeks total) for an individual recipient. Therefore, a larger proportion of recipients may be engaged in job search but not reported as such because it does not count toward the state's required work participation rate.

²² For more information on state sanction policies, see CRS Report RS21070, *TANF Sanctions—Brief Summary*, by Vee Burke and Gene Falk.

²³ In many states, earnings disregards are more generous for recipients already on the rolls and less generous for applicants.

²⁴ Substantial TANF funds also go to provide such supports for low-income working families who are not receiving cash assistance. Because these families are not part of the cash assistance system and will not be subject to work requirements, time limits, and other cash assistance reforms, they are included as part of the general population for purposes of this discussion. For more information on the uses of TANF funds, see CRS Report RL30723, *Welfare Reform: Federal Grants and Financing Rules Under TANF*, by Gene Falk.

changes may also have indirect effects on decisions about family structure. Evidence from evaluations of programs operated under AFDC waivers suggests that work-related reforms can have impacts on family structure, but the interactions between particular policies and family formation outcomes are not yet clear.

Expected Effects. Under AFDC, increasing economic independence by providing welfare benefits to single mothers was thought to contribute to family break-ups and out-of-wedlock births. At the same time, welfare rules were thought to further contribute to dependence and to discourage marriage among women already receiving assistance. Many of these incentives were addressed under TANF. In addition to reducing welfare dependence, the reforms which affect the welfare population (such as family caps, time limits, work requirements) might also be expected to have impacts on family structure. However, the predicted impact of the various reforms, especially when implemented as part of a “bundle” of reforms, is unclear.

In fact, some of the new incentives in the cash assistance program under TANF might be expected to have conflicting effects on family structure, assuming the incentives are even understood (see **Box 4**). For example, increased income could lead to increased independence for single mothers, decreasing the “economic necessity” for marriage among this population. On the other hand, increased employment could increase women’s chances of meeting potential partners and make them more attractive as spouses themselves.²⁵ Increasing income through employment may decrease stress on a parent and make them more able to have a healthy relationship with a partner and with their children. Alternatively, demands from increased employment could lead to more stress and negative effects on children and romantic relationships. Unfortunately, existing evaluations of welfare programs do not provide convincing evidence either way on the effect welfare reforms may have on family formation decisions.

²⁵ See, for example, Testimony of Kathryn Edin, U.S. Congress, House Subcommittee on Human Resources, *Hearing on Welfare and Marriage Issues*, May 22, 2001, at [<http://waysandmeans.house.gov/legacy.asp?file=legacy/humres/107cong/5-22-01/5-22ed in.htm>].

Box 4. Perceptions About Welfare Eligibility and Marriage/Cohabitation

In order for recipients or potential recipients to respond to family formation incentives, they must be aware of what those incentives are. A new brief from the Fragile Families and Child Well-Being Study, a study of new mothers in cities with populations over 200,000 which is funded in part by HHS, shows that many women receiving welfare may not be aware of TANF eligibility rules regarding marriage or cohabitation with the father of their children. A majority of low-income mothers in the sample did not know that married, two-parent families were eligible for welfare. Further, only half of the low-income mothers surveyed knew that a family could be eligible for welfare if the mother and biological father lived together but were not married.

See Center on Research on Child Well-Being, *Mothers' Beliefs About Welfare Rules*, Fragile Families Research Brief no. 11, Sept. 2002, at [<http://crcw.princeton.edu/files/briefs/ResearchBrief11.pdf>].

What do we know about how welfare-to-work programs can affect family structure? In pre-TANF waiver programs, states began to experiment with reforms to promote work and require participation in activities to improve recipients' ability to be self-sufficient. From evaluations of the programs that operated under these waivers, states have learned important lessons about how to increase employment, and to a lesser extent, earnings among welfare recipients. Under TANF, states have applied these lessons to promote work and reduce dependence among their caseloads. Existing evaluations have not provided similar guidance on how to influence family structure.

Many of the random assignment studies that were conducted did not measure effects on marriage (or divorce) or other family formation decisions (such as non-marital child-bearing). Of those that did measure impacts on marriage and fertility, the results are sometimes confusing, with conflicting results in programs instituting the same types of reforms (i.e., work requirements enforced by sanctions). Overall, the evidence suggests that TANF-like reforms can have impacts on family structure, but further examination will be required in order to understand this process.

Impacts on Marriage. A number of evaluations testing different combinations of welfare-to-work reforms found no effects on marriage or divorce. For example, programs that require work participation without financial incentives have generally not been found to have an effect. Likewise, combining a time limit with work requirements or financial incentives has shown little evidence of an effect on marriage. Of a handful of such programs, only one (Delaware's A Better Chance program) showed a small increase in marriage.

An evaluation of the Minnesota Family Investment Program (MFIP) has received much attention for having had positive effects on marriage among recipients. MFIP operated under a waiver between April 1994 and June 1998. Working families in the experimental group were given generous earnings disregards and AFDC-UP eligibility restrictions for two-parent families were removed.²⁶ At the 3-year follow-up, single-parent *recipients* in the experimental group were significantly more likely to be married 36 months after random assignment than families in the control group (11.0% versus 5.8%). Among long-term recipients, the

²⁶ MFIP rules also allowed liberalized treatment of stepparent income.

effect was smaller, but still statistically significant.²⁷ There was no effect on marriage, however, for applicants (i.e., those who were not receiving assistance at the time of random assignment).

On the other hand, a report on the impacts of Iowa's welfare reform program showed negative effects on both marriage and family stability for *applicants* from similar reforms. Iowa's Family Investment Program (FIP) increased earnings disregards, enforced a work requirement, and eliminated UP eligibility restrictions for two-parent families. There were no impacts on marriage for the full sample. Among applicants, however, the reforms under FIP increased the proportion of case heads who had never been married by 6.5 percentage points at the time of follow-up, 2 ½ to 6 years after random assignment; applicants in the treatment group were also 8 percentage points less likely to be married at the time of follow-up relative to applicants subject to AFDC rules.²⁸

The distinction between effects on applicants and recipients underscores an important aspect of this body of research. As noted, a number of programs that reported findings on marriage found no effects, or conflicting effects. In some cases, a finding of no effect may mask impacts on subgroups within the sample. For example, an evaluation of Canada's Self-Sufficiency Program (SSP), a program that provided generous financial incentives and income support to working families, found no effect on marriage among the overall study population, but *opposite* effects in the two study sites. There was a significant increase in the marriage rate among recipients in one site, but a significant decrease in the marriage rate in the other site. All other aspects of the program rules were the same, so the authors explain the finding in terms of the differences in the unemployment rates and cultural factors in

²⁷ Virginia Knox, Cynthia Miller, and Lisa A. Genettian, *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program*, Manpower Demonstration Research Corporation, Sept. 2000. The MFIP evaluation measured effects for two separate treatment groups, one that included financial incentives *only* and one that included financial work incentives *and* mandatory work requirements. For recipients who were subject to both increased financial incentives and mandatory work requirements, the effect on marriage was positive, but not statistically significant.

²⁸ Among cases that were headed by never-married mothers at the time of random assignment, the negative effects on marriage were slightly larger: a 9.5 percentage point increase in the likelihood of remaining unmarried and a 9.4 percentage point decrease in the likelihood of being married. These impacts were not seen for recipients who were receiving cash assistance when FIP was implemented in October 1993; these ongoing recipients saw mixed impacts on family structure and stability. The study also found increases in domestic violence (also found for ongoing cases), "doubling up" among applicants, increases in foster care placements, and increased instability in living arrangements (starting or stopping living with a partner). Note: Although recipients were initially randomly assigned to control and treatment groups, Iowa began to apply FIP policies to control cases beginning in April 1997. The evaluators note that the effect of this shift is unclear, but that it is likely to *understate* the effects of welfare reform in Iowa. Thomas M. Fraker, Christine Ross, Rita Stapulonis, Robert B. Olsen, Martha D. Kovac, M. Robin Dion, and Anu Rangarajan, *The Evaluation of Welfare Reform in Iowa: Final Impact Report*, Mathematica Policy Research, Inc., June 2002.

the two sites.²⁹ The importance of subgroups is further reinforced by a recent re-analysis of data from the evaluation of Connecticut's Jobs First program that found negative impacts on marriage among single mothers with young children (12-48 months), but no effect among the full sample.³⁰

Some evidence also exists regarding increased marital stability. Under the MFIP program which included mandatory work requirements, two-parent families in the treatment group were significantly more likely to remain married and less likely to be divorced at the follow-up relative to control group families. The California Work Pays Demonstration Project (CWDPDP), which provided financial incentives and removed two-parent eligibility restrictions, also saw increases in marriage rates that could be accounted for by declines in divorce among participants.

The process through which these reforms affect marriage outcomes is unclear. In discussing the marriage impacts, the MFIP evaluators assign some of the effect to the increased stability brought by increased income. This would support the findings regarding the effects of increased income on child well-being (see **Box 5**).

Although the MFIP results are promising, it is unclear how applicable the marriage impacts are to the TANF era. The MFIP financial incentives were unusually generous. Most TANF programs currently operating offer smaller earnings disregards, and even the welfare program now operating in Minnesota (also known as MFIP) has less generous financial incentives.

²⁹ In Canada, a couple that has lived together for a year has the same civil rights as a married couple. The study evaluators used a broad definition of marriage, which included these common law unions.

³⁰ David J. Fein, Laura D. Lindberg, Rebecca A. London, and Jane Mauldon, *Welfare Reform and Family Formation: Assessing the Effects*, Welfare Reform and Family Formation Project, Research Brief, June 2002.

Box 5. Effects of Work Reforms on Children

Efforts to promote marriage and influence family formation are motivated in part by a desire to improve outcomes for children raised in single-parent families. Children in single-parent families are more likely to be in poverty, and children in poverty are at greater risk of low academic achievement, behavior problems, and health problems. Evaluations of TANF-like programs operated under waivers (including earnings supplements, time limits, and mandatory employment services) have found differing effects on children based on their age and the types of interventions. These findings suggest that impacts on children are related to the effects these programs have on parental income and employment.

Infants and Toddlers. Little information exists on the effect of these programs on infants and toddlers, but what is available suggests that parents' participation in mandatory employment services does not harm or help these children's development.

Preschool and Elementary School-aged Children. Programs that provided earnings supplements (and which increased employment and income) have been linked to higher school achievement among preschool and elementary school-aged children. Some of these programs also reduced behavior problems, increased positive social behavior, and/or improved children's overall health. Combining mandatory employment services with earnings supplements had no further positive (or negative) effects on these outcomes, and mandatory employment services alone (which have not been shown to improve income) were linked with mixed results for these children. Impacts from programs with time limits were mixed. Although programs with time limits were not found to have negative impacts on these children, combining short time limits with earnings supplements may reduce the positive effects of earnings supplement programs.

Adolescents. Work-focused and time-limited programs produced negative effects on school achievement for adolescents, but did not affect school completion, childbearing, or behavior problems. The negative effects for adolescents are hypothesized to be related to increased responsibilities and reduced supervision because of increased parental employment.

See: Pamela Morris, Virginia Knox, and Lisa A. Gennetian, "Welfare Policies Matter for Children and Youth: Lessons for TANF Reauthorization," New York City, Manpower Demonstration Research Corporation, Mar. 2002.

Fertility (Out-of-wedlock Births and Teen Pregnancy). Evidence is also lacking to accurately assess the effects of cash welfare reforms on fertility of cash assistance recipients. Only a small number of evaluations included fertility as an outcome to be studied, and those show mixed results. Evaluations of a number of mandatory work programs and several TANF-like programs found no impact on fertility at the 5-year follow-up. On the other hand, an Arizona program that included a family cap and imposed minor parent requirements and restrictions similar to those imposed by TANF did report a significant decline in the percentage of nonmarital teen pregnancies.

Evaluations of family cap policies also have not had consistent results. An evaluation of New Jersey's Family Development Program, a program that included a family cap, financial work incentives, and attempted to remove penalties to marriage, found a significant decline in fertility among recipients, and an even larger effect on fertility among applicants.³¹ Among applicants, there was also an increase

³¹ The New Jersey evaluation was criticized because of methodological issues regarding the (continued...)

in abortions in the early part of the experiment.³² However, an evaluation of an Arkansas program that implemented a family cap found no effect on fertility.

Why don't we know more. In most of these experiments, the removal of disincentives to marriage and the family cap policies were implemented as part of a larger welfare reform program that included many other changes. In these cases, it is hard to disentangle the effects of any one policy. In addition, the types of reforms implemented under TANF may include contradictory incentives, potentially negating impacts that would have occurred under a different set of policies.

Evaluating Success. Evaluating TANF's success in reducing dependence among welfare recipients is difficult, but it appears as though whatever gains have been made were made through efforts to promote work rather than marriage. The welfare caseload has declined and work participation has increased greatly relative to AFDC.

Evidence from studies of welfare leavers suggests that a substantial fraction of recipients (roughly half) who leave welfare do so for employment, and that a larger fraction work after their exit. Only a small fraction report leaving because of getting married. Additionally, an examination of the composition of the greatly reduced welfare caseload in FY2000 does not show an increase in the proportion of two-parent families receiving cash assistance.

Caseload Decline. In the years just prior to welfare reform, the TANF caseload had been rising from under 4 million cases in the late 1980s to a peak of 5.1 million families in March 1994. As shown in **Figure 1**, the caseload declined substantially in the late 1990s, to less than half of its peak level. As of September 2002, 2.0 million families were receiving cash assistance under TANF. The proportion of the population receiving cash assistance has seen a decline of the same magnitude. In the year 2000, the proportion of the U.S. population receiving welfare had dropped to 2.0%, down more than half from the peak of 5.5% in 1994. The proportion of children receiving AFDC/TANF has also dropped from a peak of 14.3% in 1993 to 6.1% in 2000.

Caseload decline is just one measure of reduced dependence on government benefits, and it is unclear how much of the decline can be attributed to welfare reforms and how much to the healthy economy during the mid and late-1990s. In addition to reforms within the cash assistance program, other changes under TANF may also contribute to the reduced caseload. For example, increased state spending on supports like child care for low-income working families may further reduce the

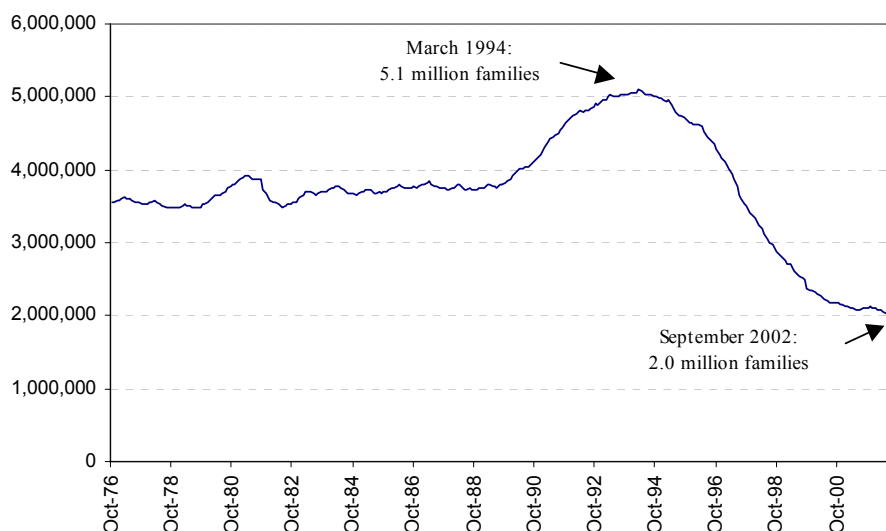
³¹ (...continued)

early findings. Specifically, there were different results from the experimental and the quasi-experimental components of the evaluation. In the final report, however, there were consistent results between the two components, showing an impact on fertility without an overall increase in abortions.

³² The TANF purposes specifically aim to decrease out-of-wedlock births, but states are only rewarded (through the out-of-wedlock bonus) for reductions in out-of-wedlock births if the reductions are *not* accompanied by an increase in the abortion rate.

incentive to receive ongoing cash assistance (welfare), especially given the new requirements under TANF.

Figure 1. AFDC/TANF Families, October 1976-September 2002



Source: Congressional Research Service (CRS) tabulations of data provided by the states to the U.S. Department of Health and Human Services (HHS).

Family Structure Among TANF Families in FY2001. The family structure of the cash welfare population was of special interest to lawmakers in 1996, and states were given the goal of promoting marriage as a way of reducing welfare dependence. Success in reducing dependence through promoting marriage would not necessarily be captured in the welfare population (i.e., some of these families would not receive welfare). However, because states have not made significant efforts to promote marriage among welfare recipients but they have made efforts to reduce barriers to serving married-parent families, these efforts may be seen in an increased proportion of two-parent families receiving cash assistance.

Overall, it does not appear that TANF programs have been increasing rates of marriage among welfare recipients. According to the Indicators of Dependence report submitted to Congress by HHS, the proportion of adults receiving TANF who were single (never-married) actually increased from 52.5% in FY1998 to 65.3% in FY2000. The proportion who were married also dropped during that same time. As will be shown below, some of this difference can be explained by the shift of two-parent families to separate state programs.

We examined data submitted by the states to HHS on the characteristics of individuals receiving cash assistance in FY2001 to examine marital status and family types among recipients 6 years after welfare reform.³³ Under TANF, families are characterized as single-parent, two-parent, or child-only for purposes of the TANF work participation requirements. This classification does not necessarily correspond

³³ The data that states are required to submit to HHS includes data on families receiving assistance in separate state programs (SSP). Unless otherwise specified, we include both TANF and SSP recipients in subsequent analyses.

to the number of adults in a household or to marital status. For example, a family with two adults could be coded as a single-parent case if one parent were disabled and receiving SSI, and therefore not included in the assistance unit or subject to work requirements. However, this classification does give an indication of what types of families are being served and what kind of requirements families face under the TANF program. In addition, this status gives the proportion which would be most comparable for comparing the proportion of two-parent families served under AFDC-UP and TANF.

Two-parent families (who are not necessarily married) continue to make up a small proportion of the cash assistance caseload, despite attempts to make TANF more hospitable to these families. Under the AFDC-UP programs operated prior to 1990, two-parent families made up approximately 5% of all families served. Two or more adult families made up 8% of the AFDC caseload in FY1992, and 8% in FY1994. As shown in **Table 1**, in FY2001, two-parent families accounted for roughly 2% of all cases served under state TANF programs. However, two-parent families make up the vast majority (81%) of families served under separate state programs. If TANF cases and families served in separate state programs are combined, two-parent cases make up 5% of all families served in FY2001.

Table 1. Type of Family for Work Participation Status in FY2001

	Child-only	Single-parent	Two-parent	Total
TANF	37.7	59.9	2.4	100%
SSP	3.2	15.5	81.4	100%
<i>Overall</i>	<i>36.4</i>	<i>58.2</i>	<i>5.4</i>	<i>100%</i>

Source: Congressional Research Service (CRS) tabulations of data provided by the states to HHS.

As shown, welfare recipients faced substantial changes to the cash assistance program under TANF, mainly with respect to work and work requirements. These changes contributed to large reductions in the caseload and some changes in family types among welfare recipients. One implication of this greatly reduced caseload is that the number of recipients directly affected by the welfare-to-work and family formation reforms has also been reduced. A larger pool of *potential* recipients may be indirectly affected by those reforms if they influence decisions to stay away from welfare benefits altogether. The next section of this report examines efforts states have made to influence trends in marriage, out-of-wedlock births, and family structure among the general population.

Part II: Reducing Out-of-Wedlock Births and Promoting Two-Parent Families Among the General Population

At the time of the welfare reform debate in 1996, lawmakers described a “crisis” of illegitimacy and single-parenthood that TANF was intended to solve. PRWORA’s findings begin with the statement: Marriage is the foundation of a successful society.” The findings go on to note that there had been large increases in the out-of-wedlock birth rate and nonmarital teen pregnancy since 1970. The findings also describe a range of negative outcomes for children born out-of-wedlock or raised in single-parent homes (shown in **Box 6**). Together, these trends were thought to contribute to a cycle of poverty and welfare dependency.

As shown in the previous section, TANF made several changes to the cash assistance program to address these issues. However, the trends in family structure cited in the PRWORA findings are not limited to the welfare population, and are likely to be affected by factors outside the welfare system. Accordingly, TANF gave states broad authority to address these issues among the general population, and included bonuses to encourage states to address these issues.

Box 6. PRWORA Findings: Outcomes for Children Born Out-of-Wedlock or Raised in Single-parent Homes

Children born out-of-wedlock have a substantially higher risk of being at a very low or moderately low birth weight; are more likely to experience low verbal cognitive attainment, as well as more child abuse and neglect; are more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teen parents themselves; and are three times more likely to be on welfare when they grow up. Single-parent households also experience poverty at a much higher rate relative to married-couple families, and children in single-parent homes are three times more likely to fail and repeat a year in grade school than children from intact two-parent families and four times more likely to be expelled or suspended from school.

Source: Section 101 of PRWORA.

Although there was a great deal of rhetoric surrounding marriage and family formation, states have not made marriage promotion or influencing family formation a large part of their cash welfare programs under TANF. A few states have begun operating programs to address family formation issues among their general populations, but spending on efforts to address the family formation goals accounted for only 1% of combined federal and state spending under TANF in FY2000.

Federal Funds for Addressing Family Formation Goals

States have a good deal of discretion concerning spending on the third and fourth purposes of TANF. Unlike the work participation requirements, which states must meet or face a financial penalty, there is no mechanism to require states to spend funds to achieve the family formation goals. However, TANF does include optional funding for reducing out-of-wedlock births, and allows states to compete for bonuses based on progress toward the family formation goals. States can use funds awarded as bonuses for any of the four TANF purposes.

Abstinence Education Grants. The 1996 welfare law provides up to \$50 million for each of the fiscal years 1998-2002 specifically for matching grants (3 state dollars for every 4 federal dollars) to states for “abstinence-only” education programs. These funds have been awarded based on the proportion of low-income children in a state relative to the number of low-income children in all states. In FY2002, all eligible jurisdictions except California operated programs under these grants.³⁴

Abstinence-only projects funded under these grants must meet certain guidelines. Among other requirements, such programs must teach that abstinence until marriage is the only certain way to avoid out-of-wedlock pregnancy and sexually-transmitted diseases, and that premarital sex may have harmful psychological and physical consequences. Abstinence-only education programs do not provide information on contraceptive use.³⁵

There is much debate about whether abstinence-only education programs are effective in reducing or delaying sexual activity. For instance, a paper published in April 2002 by Robert Rector of the Heritage Foundation declared that such programs had been proven effective.³⁶ An October 2002 review of the 10 programs cited in the Rector paper published by the National Campaign to Prevent Teen Pregnancy asserts that the findings from these studies should not be taken as strong evidence in support of the effectiveness of such programs because the majority of those studies were non-experimental and only one of them met rigorous evaluation standards.³⁷

Findings from many of these studies are difficult to interpret. For example, one study of a “virginity pledge” abstinence-only program found that taking the pledge did delay intercourse among 16- and 17-year olds, but not among 18-year olds. Additionally, among those teens who did become sexually active, those who took the pledge were less likely to use contraception.³⁸ A federally-funded experimental evaluation of abstinence-only programs funded under Title V, Section 510 is currently underway, although findings on long-term impacts will not be available for several years.

³⁴ California did not apply for this funding in FY1999, FY2000, or FY2001 either. For more information on these grants, see U.S. Department of Health and Human Services, *2000 Annual Summary of the Abstinence Education Provision of the 1996 Welfare Law 104-193*, 2002, available online at [<http://www.mchb.hrsa.gov/programs/adolescents/abreport00/>].

³⁵ For a full list of requirements for projects that may be funded with these grants, see Title IX, Section 912 of PRWORA (which amends Title V, Section 510 of the Social Security Act), available at [<http://thomas.loc.gov>].

³⁶ Robert Rector, *The Effectiveness of Abstinence Education Programs in Reducing Sexual Activity Among Youth*, The Heritage Foundation, Backgrounder no. 1533, Apr. 8, 2002.

³⁷ Douglas Kirby, *Do Abstinence-Only Programs Delay the Initiation of Sex Among Young People and Reduce Teen Pregnancy?*, National Campaign to Prevent Teen Pregnancy, Oct. 2002.

³⁸ For a summary, see U.S. Department of Health and Human Services, National Institutes of Health, “Virginity Pledge Helps Teens Delay Sexual Activity,” press release, Jan. 5, 2001, at [<http://www.nichd.nih.gov/new/releases/virginity.cfm#cpc>].

Out-of-Wedlock Birth Bonus. In an attempt to encourage states to address the third TANF purpose, bonus funds were made available to encourage states to pursue the family formation goal of reducing out-of-wedlock pregnancies. For FY1999-FY2002, the five states with the largest declines in their overall out-of-wedlock birth ratio (who also have an abortion rate below the FY1995 rate) are each eligible for part of a \$100 million bonus.

Most states have not operated large programs to address out-of-wedlock births, and nationally, the out-of-wedlock birth ratios have continued to rise among some age groups. In fact, for performance year FY2000 only three states qualified for the bonus (i.e., had any decline in their out-of-wedlock birth rate). For FY2001, Alabama, Colorado, Michigan, Texas, and the District of Columbia were awarded roughly \$19.9 million each for declines in their out-of-wedlock birth ratio of between 0.5% and 3.5% between 1997 and 2000. The Virgin Islands also received over \$888,000 for a decline of 2.6%. In most other states, the out-of-wedlock birth ratio remained unchanged or continued to rise during this time period. As will be discussed further below, TANF reauthorization proposals during the 107th and 108th Congresses have eliminated the out-of-wedlock birth bonus entirely because it was not seen as effective in prompting states to address this issue.

High Performance Bonus. An additional \$1 billion in bonus funds was made available under TANF over 5 years to be awarded to states who perform well on additional performance measures (defined by HHS). For FY2001, a measure of family formation (the number of children under 200% of the federal poverty level in two-parent households) and measures of participation in Food Stamps, Medicaid and SCHIP programs were added to the bonus criteria. Beginning in FY2002, the High Performance Bonus criteria will include a measure related to the percent of married couple families with children in the state.

State Efforts to Reduce Out-of-Wedlock Pregnancies and Births

States are required to provide detail on how they plan to address out-of-wedlock births (with special emphasis on teen pregnancies), and to establish a numerical goal for reducing the nonmarital birth rate in the state TANF plans. Annual program reports submitted to HHS must also describe how states are addressing the family formation goals. To address men's role in teen pregnancy prevention, the state TANF plan must also describe how it intends to conduct a program that provides education and training on statutory rape.

In FY2000, spending on nonmarital pregnancy prevention efforts accounted for only 0.4% of total state and federal TANF expenditures. State efforts to reduce out-of-wedlock births under TANF have mainly been targeted toward teen parents. However, some states have also made efforts to address such births among adults, and to promote responsible fatherhood and statutory rape education. In this section, we will highlight state activities to reduce out-of-wedlock pregnancies.

Teen Pregnancy. TANF urged states to place special emphasis on teens when providing services to reduce out-of-wedlock births because almost half of

nonmarital births are to women who had their first birth as a teen mother.³⁹ States have implemented a number of programs focused on preventing teen pregnancy. Programs operated by states have provided a broad range of services, from traditional family planning services and media campaigns to school-based initiatives that provide mentoring and outreach to high-risk teens.

Abstinence-only and Abstinence-Plus education programs. In addition to the activity under the federally-funded abstinence education grants, states funded such activities on their own. In fact, abstinence education was a strategy described by many states as integral to their out-of-wedlock birth/teen pregnancy prevention strategies. Although the federal abstinence matching grants may be provided only to programs that teach abstinence as the only certain way to prevent out-of-wedlock pregnancies and sexually-transmitted diseases, a number of states use their TANF funds to support comprehensive sex education programs that include contraceptive education and, in some cases, provision of family planning services. In contrast to evaluations of abstinence-only education, evaluations of “abstinence-plus” sex education curricula have shown that some of these programs can be effective in delaying intercourse *and* increasing condom use among some groups of youth.⁴⁰

Broader Initiatives. A number of states took a broad approach, using TANF funds for services that promote education, self esteem, and positive role models to combat some of the potential causes of teen pregnancy. For example, the District of Columbia (which was one of seven states that saw a decrease in their out-of-wedlock birth ratio between FY2000 and FY2001) used TANF funds to assist teens transitioning from foster care to independent living, and to support programs to promote youth entrepreneurship and provide out-of-school time activities. Mini-grants of less than \$20,000 were also available to programs such as Life Pathways, Inc., which attempts to strengthen communication between pre-teen girls and their mothers in a low-income public housing development in the District.

Similarly, Louisiana funded a community-based, faith-based, and school-based effort to reduce the number of unwed and parenting teens. In addition to postponing sexual activity and reducing the incidence of unprotected sex, the goals of the program included increasing school attendance and graduation. Louisiana also operates a number of education and training initiatives that it considers part of its nonmarital birth prevention program.⁴¹

Evaluations of such broad programs have produced mixed results. So-called “service learning” programs, which include both voluntary service in the community

³⁹ Elizabeth Terry-Humen, Jennifer Manlove, and Kristin A. Moore, *Births Outside of Marriage: Perception vs. Reality*, Child Trends, Apr. 2001.

⁴⁰ Effective programs share a number of characteristics, including providing accurate information on the risks associated with sexual activity and how to protect against pregnancy and sexually-transmitted diseases. See Douglas Kirby, *Emerging Answers: Research Findings on Programs to Reduce Teen Pregnancy*, National Campaign to Prevent Teen Pregnancy, May 2001.

⁴¹ Source: FY2002 TANF state plan submitted by Louisiana to HHS.

as well as structured time before or after the activity, have shown positive results in reducing teen pregnancy. Programs that focus on vocational education have not been shown to be effective in reducing teen pregnancy or births.⁴²

Home Visiting for Teen Parents. Several states also have home visiting programs for teen parents. In these programs, the health and well-being of the child and parent are assessed during visits to their homes. In addition, services may be provided to teen mothers to improve parenting and life skills, to influence family stability, and to delay higher-order births. A number of evaluations of home visiting programs have shown promising results. For example, a study with a long-term follow-up found that mothers who received home visiting services had fewer subsequent pregnancies (and births) relative to mothers who did not receive home visits. Home-visiting was also associated with a greater delay before a second birth.⁴³

Reducing Out-of-Wedlock Births Among Adults. Services to prevent out-of-wedlock births among adults were less common than teen pregnancy prevention efforts. Several states do provide (non-medical) health care and family planning services to low-income women to help prevent unintended pregnancies under the third TANF purpose.⁴⁴ For example, Minnesota funds a toll-free family planning hotline to help women (and adolescents) find and obtain family planning services. Virginia operates a community-based out-of-wedlock birth prevention initiative aimed at women aged 20-29, focusing on marriage before conception, male responsibility, and discouraging cohabitation and high risk sexual behavior.

Since the early 1990s, Washington state has experimented with co-locating family planning services with social service programs (including AFDC/TANF and Medicaid). The services available include information, education, and “limited reproductive health services.” Using this approach, the state has had great success in reducing overall birth rates among women on welfare, including out-of-wedlock births to women receiving cash assistance (described in **Box 7**).

Statutory Rape and Responsible Fatherhood. Programs to educate men on penalties associated with statutory rape and to work with law enforcement for more vigorous enforcement of statutory rape statutes are mentioned by several states. Many states also include boys in their broader teen pregnancy prevention programs, and provide responsible fatherhood education to young men, including relationship skills and the consequences of fathering a child.

⁴² Douglas Kirby, *Emerging Answers: Research Findings on Programs to Reduce Teen Pregnancy*, National Campaign to Prevent Teen Pregnancy, May 2001.

⁴³ Among unmarried, low-income women in the sample, teen mothers who received home visits also reported using AFDC and food stamps in fewer months relative to mothers who did not receive such visits. See David Olds, et. al., “Long-Term Effects of Home Visitation on Maternal Life Course and Child Abuse and Neglect: Fifteen-Year Follow-up of a Randomized Trial,” *Journal of the American Medical Association*, vol., 278, no. 8 (1997), pp. 637-643.

⁴⁴ TANF funds cannot be used for medical services.

Box 7. Washington State's Success in Reducing Births Among Women Receiving Welfare

Since the early 1990s, women who apply for cash assistance in Washington are also given information on family planning and referred as needed to on-site services (in most locations). Between FY1992 and FY2000, the birth rate for women receiving cash assistance decreased nearly 30% (from 60 per 1,000 women to 43 per 1,000 women), while the rate among other women in the state remained relatively steady at between 64 and 62 births per 1,000 women. Washington also saw births among women aged 20-24 drop by one-fourth, from just over 100 per 1,000 women in FY1994 to roughly 74 in FY2000.

See Laurie Cawthon, *Birth Rates After Welfare Reform*, Washington State Department of Social and Health Services, Nov. 2001, at [http://www1.dshs.wa.gov/rda/reports/09MedicalAssistance/9_61.htm].

State Efforts to Promote Marriage with TANF Funds⁴⁵

As with out-of-wedlock births, the majority of states have not made significant investments in marriage promotion efforts within their TANF programs. In FY2000, states spent roughly \$113 million, or one-half of 1% of the total federal and state funds expended within the TANF program, on services to promote the formation and maintenance of two-parent families. This varies greatly by state, with some states spending a much larger share of their TANF expenditures on programs to promote marriage.

Information on state activities comes mainly from the annual program reports submitted to HHS and a recent report commissioned by HHS which describes states' activities to promote marriage both within and beyond the scope of their TANF program.⁴⁶ Although, overall, states have not operated large marriage programs, a number of states have taken steps to set up and fund efforts to promote the fourth purpose of TANF. In this section, we will describe states' efforts to promote and support marriage among their general populations.

Counseling for Couples and Families. A number of states offer both pre-marital counseling to couples and post-marital counseling to families to stabilize marriages. These services often include teaching communication and relationship skills. For example, Kentucky offers family counseling and marriage counseling to families with income at or below 200% of the federal poverty level. Arizona offers similar services to families in that state at no cost to low-income families, and at a reduced cost for all other families (as described in **Box 8**). Several states are currently conducting small scale pilot programs of such services, which may be expanded statewide in the future.

⁴⁵ Under the fourth purpose, states could technically spend TANF funds to promote the maintenance of unmarried two-parent families. In this report, we focus on efforts to promote marriage.

⁴⁶ Karen Gardiner, Michael Fishman, Plamen Nikolov, Asaph Glosser, and Stephanie Laud for U.S. Department of Health and Human Services, *State Policies to Promote Marriage, Final Report*, Sept. 2002, at [<http://aspe.hhs.gov/hsp/marriage02f/>].

Box 8. Examples of Marriage Promotion Programs Under TANF

Arizona: Arizona allocated a total of \$10 million for FY2000-2001 for various projects related to marriage. Community-based organizations in the state conduct Marriage and Communication Skills Workshops free of charge for parents with income under 150% of the federal poverty level (other couples pay 15% of the cost). As of September 2002, the Arizona Department of Economic Security reports that 517 couples have taken the class, including 26 couples who had income under 150% FPL. The state also provides a marriage handbook to all marriage license applicants.

Oklahoma: The Oklahoma Marriage Initiative (OMI) was implemented in 1999 to strengthen marriage and reduce the state's divorce rate by one third by 2010. The OMI includes outreach to several sectors of the community, including businesses, churches and faith-based community groups, educators, service providers, and the media. As of September 2002, the state had held more than 130 workshops to teach communication skills to 1,600 people.

See Cheryl Wetzstein, "Welfare promotes marriage," *Washington Times*, Sept. 16, 2002, at [<http://www.washtimes.com/national/20020916-9551968.htm>].

Few rigorous evaluations of such programs are currently available. In a small outcome study, one popular curriculum, the Prevention and Relationship Enhancement Program (PREP), was shown to have positive effects on communication and marital satisfaction lasting three years after the intervention.⁴⁷ In addition, couples in the treatment group had a lower divorce rate (8%) compared to the control couples (16%).

Media and Public Relations Campaigns. Unlike with teen pregnancy prevention, where media campaigns are common, only one state (Oklahoma) has used a media campaign to promote marriage. Three states (Louisiana, North Carolina, and Utah) have made declarations to promote the value of marriage as a public good or as the basis of a healthy family. For example, in 1999, Utah declared a Marriage Awareness Week.

Programs for Youth. Activities in this area have focused on school-based marriage education programs. Since 1998, Florida has required high school students to take a class on the value of marriage and relationship skills as part of the required curriculum for a high school diploma. Other states have implemented smaller-scale demonstrations or support for school-based marriage education programs. In addition, abstinence education programs funded under TANF also promote marriage as part of their message.

Other Activities to Promote Marriage. States have also made broader attempts to promote marriage and reduce divorce through faith-based, tax, and legal channels. A number of states have passed or are pursuing covenant marriage laws, which usually require some form of pre-marital counseling, a pledge to attempt to work out problems that occur after the marriage through additional counseling, and

⁴⁷ After 3 years, satisfaction among wives in the couples who participated in PREP was similar to that of wives who had not received the treatment. Among the men in the couples who participated in PREP, however, marital satisfaction remained higher than among men in couples who did not participate. M.J. Renick, et. al, "The Prevention and Relationship Enhancement Program (PREP): An Empirically-Based Preventive Intervention Program for Couples," *Family Relations*, vol. 41, no. 2 (1992), pp. 141-147.

a waiting period before a divorce will be granted. There have also been moves in several states to change divorce laws to modify no-fault divorce rules or to require some sort of education on the effects of divorce for families with children. States have also taken steps to address the “marriage penalty” in their state tax codes. In addition, two states (Tennessee and Vermont) forgive child support arrears if parents reunite.

To date, state attempts to directly address the third and fourth purposes of TANF have been overshadowed by changes within the cash assistance program. Although TANF has not become a marriage promotion vehicle to date, there is room within the legislation for marriage to become a more substantial part of the program, which is a concern for many interest groups and advocates. As discussed below, recent reauthorization proposals have included additional targeted funds for marriage promotion. In light of the potential re-emphasis on marriage, we will now examine progress toward the family formation goals and other trends in family structure.

Progress Toward Family Formation Goals

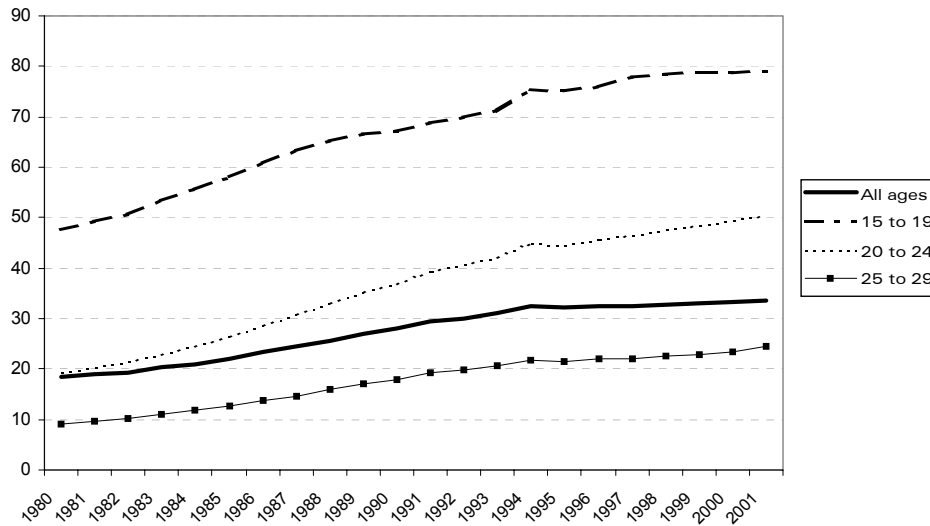
Evaluating progress toward the third and fourth purposes of TANF is somewhat more straightforward than attempting to measure success at reducing welfare dependence through promoting marriage. Success in these areas should be reflected in demographic trends among the general population. Six years after welfare reform, there has been some success toward reducing teen pregnancy. However, there has been little change in the proportion of births which are out-of-wedlock, and no increase in the proportion of married-couple families.

Out-of-Wedlock Births. After increasing steadily since the 1960s, the proportion of births that are out-of-wedlock birth has remained relatively steady since 1994, at between 32-33% (as shown in **Figure 2**).⁴⁸ The proportion of births which are out-of-wedlock varies by age, and continues to rise slowly but steadily among some age groups. Among teens aged 15-19, the proportion of out-of-wedlock births was roughly 79% in 2001; among women 20-24, the proportion was 50%.⁴⁹

⁴⁸ Among women receiving TANF cash assistance, the proportion of new births which are out-of-wedlock is double the rate among all women. In FY2000, the first year for which this data was available, 67% of births to women receiving TANF assistance were out-of-wedlock; for FY2001, this proportion rose to 77% of births to women on TANF. See U.S. Department of Health and Human Services, Administration for Children and Families, *Temporary Assistance for Needy Families Program: Fifth Annual Report to Congress*, February 2003, Table 8:1.

⁴⁹ The rate of births to unmarried women has remained between 44 and 45 births per 1,000 unmarried women in all but one year since 1991, but declining births to married women have contributed to the increasing proportion of out-of-wedlock births. Centers for Disease Control and Prevention, *National Vital Statistics Report*, vol. 51, no. 2 (Dec. 18, 2002).

Figure 2. Percent of Births to Unmarried Women by Age, 1980-2001



Source: Centers for Disease Control and Prevention, *National Vital Statistics Reports*, vol. 51, no. 2, Dec. 18, 2002.

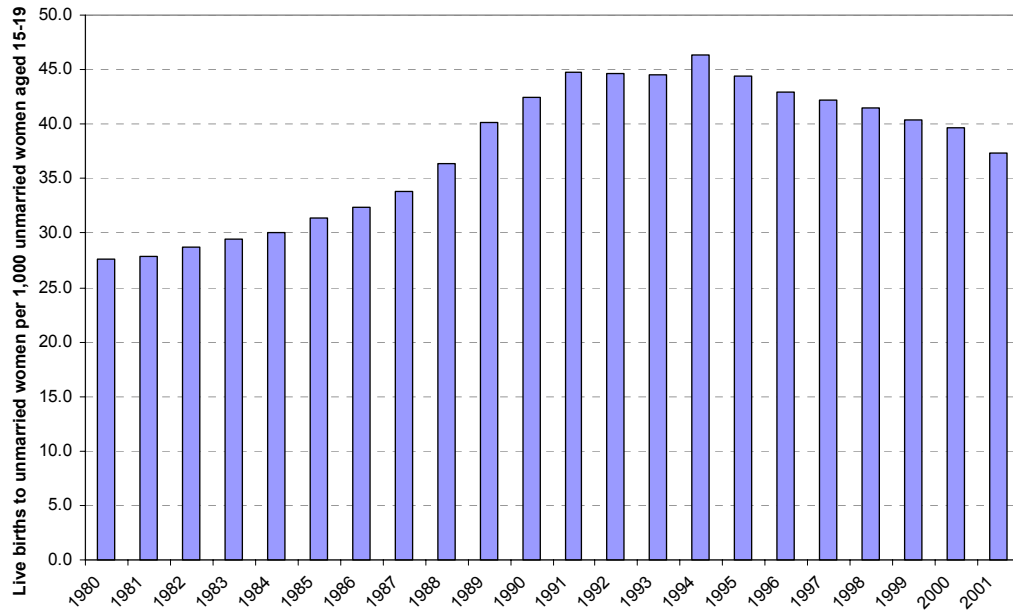
Between 2000 and 2001, the overall proportion of out-of-wedlock births rose slightly in 40 jurisdictions and did not change in four states. During that time period, only eight states had any decrease, and in many states that decrease was less than 1%. At 68.6% in 2001, the proportion of out-of-wedlock births among non-Hispanic black mothers is more than double the rate among all mothers, which continues a longstanding trend.

As discussed, efforts to reduce out-of-wedlock births have been largely concentrated among teenagers. Washington State attempted to address nonmarital births by co-locating family planning services with its social services programs, and including no additional births to women in its cash assistance program as a goal of that program. Washington's success with this strategy was discussed in **Box 7**.

Nonmarital Teen Pregnancy. As shown in **Figure 3**, there has been a decline in the incidence of nonmarital teen births since 1994. The nonmarital teen birth rate dropped from its recent high of 46.4 births per 1,000 unmarried females aged 15-19 in 1994, to 37.4 in 2001.⁵⁰ Although the rate of nonmarital teen births has declined, as shown in **Figure 2**, roughly 80% of births to teens were out-of-wedlock in 2001.

⁵⁰ *Ibid.* For comparison, the nonmarital birth rate among women aged 20-24 was 73.8 in 2001.

**Figure 3. Nonmarital Teen Birth Rate
(births per 1,000 women aged 15-19) 1980-2001**



Source: Centers for Disease Control and Prevention, *National Vital Statistics Report*, vol. 51, no. 2, Dec. 16, 2002.

Other Trends in Family Structure. In the past three decades, there has been a large increase in the proportion of families that are headed by a single adult. Between 1970 and 2000, this proportion increased from 13% to 31% of all families, with the vast majority (26%) of these families headed by women.⁵¹ This trend is attributed partly to an increase in divorce, and partly to an increase in the number of unmarried women having children. The increase in the out-of-wedlock birth rate over time has been attributed to a declining rate of marital births, and to women delaying the decision to marry, or to choosing a different type of union, such as a cohabiting union. In this section, we will examine trends in alternative family structures which may have implications for the success of efforts to address the third and fourth purposes of TANF.

Cohabitation. A growing number of women (and their children) are participating in nonmarital cohabiting unions. In 2000, roughly 3.8 million households (or 3% of all families) included two unmarried adults who were cohabiting.⁵² Recent data also show a decrease in the proportion of children living with a single mother. According to some studies, this decrease can be explained mainly by an increase in cohabitation, not marriage.⁵³

⁵¹ Jason Fields and Lynne M. Casper, *America's Families and Living Arrangements: 2000*, U.S. Census Bureau, Current Population Reports, June 2001.

⁵² Ibid.

⁵³ Andrew J. Cherlin and Paula Fomby, *Welfare, Children, and Families: A Three City Study, A Closer Look at Changes in Children's Living Arrangements in Low-Income* (continued...)

Some of these cohabiting unions involve the mother and the biological father of the child. In these cases, a birth to a “single mother” may actually be a birth to cohabiting, unmarried parents. A survey of families interviewed in 1998-2000 showed that at the time of birth, half of unmarried parents were cohabiting.⁵⁴ The majority of these relationships do not translate into marriage. Between 12 and 18 months later, only 12% of these couples had married.⁵⁵ Although nearly two-thirds (63%) continue to cohabit, longer term follow-up in other studies suggests that many of these unions will not last.⁵⁶

If unions with men other than the biological father of the child are included, the proportion of children who are affected by cohabitation is even more substantial. Recent research has estimated that 40% of all children will spend time in a household in which their unmarried mother cohabits with a partner outside of marriage before their 16th birthday.⁵⁷

Cohabiting unions are often temporary. Roughly half of cohabiting unions last 1 year or less, and only one-sixth of cohabiting unions last at least 3 years.⁵⁸ Stable cohabitation (and marriages) are related to economic conditions, with neighborhood poverty negatively related to the likelihood that such unions will succeed. A national survey shows that the chances of a woman’s first premarital cohabitation remaining intact are lower if she lives in a community with higher male unemployment, lower median family income, and higher rates of poverty and welfare receipt.⁵⁹ Even in cases where cohabiting couples do marry, these unions are generally less stable than marriages that are not preceded by cohabitation.⁶⁰

In addition, it is unclear whether these unions are helpful in terms of improving children’s well-being, even if the couple marries. There are a number of negative outcomes associated with growing up without both biological parents in one

⁵³ (...continued)

Families, John Hopkins University, Policy Brief #02-03, 2002.

⁵⁴ Sara McLanahan, Irwin Garfinkel, and Ronald Mincy, *Fragile Families, Welfare Reform, and Marriage*, The Brookings Institution, Nov. 2001.

⁵⁵ Ibid.

⁵⁶ Ibid. See also Andrew J. Cherlin and Paula Fomby, *Welfare, Children, and Families: A Three City Study, A Closer Look at Changes in Children’s Living Arrangements in Low-Income Families*, John Hopkins University, Policy Brief #02-03, 2002.

⁵⁷ Larry Bumpass and Hsien-Hen Lu, “Trends in Cohabitation and Implications for Children’s Family Contexts in the United States,” *Population Studies*, vol. 54 (2000), pp. 19-41.

⁵⁸ Ibid.

⁵⁹ U.S. Department of Health and Human Services, Centers for Disease Control, “Cohabitation, Marriage, Divorce, and Remarriage in the United States,” *Vital and Health Statistics*, Series 23, no. 22, July 2002.

⁶⁰ Pamela Smock, “Cohabitation in the United States: An Appraisal of Research Themes, Findings, and Implications,” *Annual Review of Sociology*, vol. 26 (2000), pp. 1-20.

household.⁶¹ Research has also shown that children do not fare any better on a variety of social and behavioral outcomes if they are part of a step-family relative to children raised in a single-parent family.⁶² Further, there is evidence that changes in living arrangements or marital status, including re-marriages, can be disruptive to children's emotional well-being.⁶³ To the extent that cohabiting unions are unstable, these arrangements may be worse for children than living in a stable, single-parent household.

Marriage. The proportion of children living in married-couple families remained fairly steady at around 70% between 1995 and 2000.⁶⁴ Among low-income families (defined as families with income below 200% of the federal poverty level), the proportion of children living with married parents was lower, at roughly 50%. As discussed above, recent data show an increase in the proportion of children living with two adults. Although most of this increase can be explained by cohabitation, among black children, there was a significant increase in the proportion living with two married parents between 1995 and 2000 (from 34.8% to 38.9%).⁶⁵

In the general population, there have also been increases in the age of first marriage, and in the proportion of the population that never marries. Still, over time, the majority of women who have children out-of-wedlock do eventually marry. However, among births to truly single mothers (not married or cohabiting), a substantial fraction of children will never live as part of a married, two-parent household, with large variations based on race. Of first children born to unmarried mothers, it is estimated that one-third will spend their entire childhood without their mother marrying. Among white children, the proportion is roughly one-fifth; the equivalent figure for African-American children is 60%.⁶⁶

There is evidence that many women who remain single value marriage. Research from the late 1980s showed that low-income women wanted to get married, but wanted certain guarantees of financial support before they would consider taking that step.⁶⁷ Recent findings from the Welfare Reform and Family Formation Data Project (discussed in **Box 9**) found similar attitudes toward marriage among welfare

⁶¹ Sara McLanahan and Gary Sandefur, *Growing Up with a Single Parent: What Hurts, What Helps*, (Cambridge: Harvard University Press, 1994).

⁶² Andrew Cherlin and Frank F. Furstenburg, "Stepfamilies in the United States: A Reconsideration," *Annual Review of Sociology*, vol. 20 (1994), pp. 359-381.

⁶³ Pamela Smock, "Cohabitation in the United States: An Appraisal of Research Themes, Findings, and Implications," *Annual Review of Sociology*, vol. 26 (2000), pp. 1-20.

⁶⁴ These figures are based on tabulations of the Current Population Survey as reported in Allen Dupree and Wendell Primus, *Declining Share of Children Lived With Single Mothers in Late 1990s*, Center on Budget and Policy Priorities, June 15, 2001.

⁶⁵ Ibid.

⁶⁶ Larry Bumpass and Hsien-Hen Lu, "Trends in Cohabitation and Implications for Children's Family Contexts in the United States," *Population Studies*, vol. 54 (2000), pp. 19-41.

⁶⁷ See Kathryn Edin, "Few Good Men: Why Poor Women Don't Remarry" *The American Prospect*, vol. 11, no.4, Jan. 3, 2000, at [<http://www.prospect.org/print/V11/4/edin-k.html>].

recipients, and similar intentions to marry. However, at the time of follow-up, many women had not been able to translate their desires to marry into reality.

Box 9. Findings from the Marriage and Family Formation Data Analysis Project

An analysis of national survey data on welfare recipients' attitudes toward marriage and child-bearing showed that welfare recipients have attitudes about family and marriage that are similar to those of other women. For example, roughly 70% of welfare recipients report that they expect to marry. A smaller sample of recipients also reported that welfare policies had little influence on their desires to marry, but that such policies had a stronger effect on their desire to postpone or stop having additional children. Although recipients reported changes in family formation desires, they often did not fulfill these desires (i.e., they did not marry or they did have additional children). The implications of these findings are that policies that seek only to promote the concept of marriage will not have much effect, because the majority of recipients already want to get married. The authors suggest that effort would be better spent teaching specific relationship skills, and promoting employment and education programs for low-income men (to make them more "marriageable"). Other policies that the authors support include increasing access to family planning for welfare recipients, providing education, and removing restrictions on serving two-parent families.

Jane G. Mauldon, Rebecca A. London, David J. Fein, Rhiannon Patterson, Steven J. Bliss, *What Do They Think? Welfare Recipients' Attitudes Toward Welfare and Childbearing*, Welfare Reform and Family Formation Data Project, Research Brief No. 2, Nov. 2002.

These trends have important consequences for children's well-being, and for these families' economic stability. Despite declining child poverty in recent years, the rate of poverty among children living in families with an absent father was still significantly higher than the rate among married, two-parent families in 2001 (8% vs. 39%).⁶⁸ Additionally, although the majority of children in all types of households grow up without severe problems, children in single-parent, cohabiting households, and step-families may be at greater risk of behavior and emotional problems.

Ongoing Research. It is clear that additional research is needed to understand the effects TANF policies may have on family structure. HHS has funded a number of initiatives to study family formation decisions among low-income families and to identify and promote strategies to encourage family formation and marriage. For instance, in order to better understand the MFIP findings, HHS has funded a project to provide additional analysis of the MFIP data. Another area HHS is planning to explore is the role of low-income fathers and how to promote responsible fatherhood.

Other relevant projects funded by HHS include a large-scale random assignment evaluation testing several strategies to strengthen families with children born out-of-wedlock (expected to run through 2011); a synthesis of literature on family composition and resource sharing; and an attempt to understand the factors behind the declining teen birth rate. HHS has also contributed to several surveys which provide data on family formation, including the Fragile Families survey and the National Survey of Family Growth. Findings from one of the HHS-funded projects,

⁶⁸ For more information on trends in poverty, see CRS Report 95-10224, *Trends in Poverty in the United States*, by Thomas Gabe.

the Marriage and Family Formation Data Analysis Project, were described in **Box 9**.

From evaluations of state welfare programs operated under waivers from AFDC rules, states learned valuable strategies for promoting work among welfare recipients. In the TANF-era, states have applied these lessons to increase work participation and earnings. Currently, states do not have the same guidance regarding how to successfully help create or support healthy, two-parent families.

The absence of such guidance may partially explain why most states have not embraced TANF's family formation goals. States may be reluctant to spend limited funds on marriage promotion or family formation programs without some indication that the programs will have the desired impacts. As noted, a number of rigorous evaluations of family formation strategies are underway. As findings become available, states may be more willing to spend TANF funds on successful programs.

Issues

Overall, the marriage promotion and family formation provisions under TANF have not resulted in the outcomes that its opponents had feared – or its supporters had expected. During the ongoing debate over TANF reauthorization (discussed in **Box 10**), lawmakers in both houses have supported efforts to provide additional funding for programs aimed at marriage promotion, abstinence education, and responsible fatherhood.

The emphasis on marriage promotion in those proposals was particularly notable. Although there has long been a consensus about the need to prevent and reduce out-of-wedlock childbearing by teens, the proposals made during the 107th and 108th Congress by members of both political parties included substantial new federal funding for marriage promotion activities. Does this reflect a new consensus about the role of marriage in society and the federal government's place in providing funds for such activities? Have lawmakers agreed to combat out-of-wedlock parenting among adult women with the same vigor with which they addressed nonmarital teen pregnancy?

Box 10. TANF Reauthorization Activity During the 107th and 108th Congresses

The original authorization for TANF was set to expire on September 30, 2002. In May 2002, the House passed H.R. 4737, which would have reauthorized TANF with substantial changes. The Senate Finance Committee passed a modified version of H.R. 4737 in mid-June, but the legislation was not considered by the full Senate before the end of the 107th Congress. A continuing resolution authorizing TANF through the end of the year was passed in September; a second continuing resolution was passed in November to authorize TANF through the end of March 2003. A third continuing resolution has extended TANF through June 2003.

In February 2003, the House passed H.R. 4, a slightly modified version of H.R. 4737. H.R. 4 would provide \$300 million per year in TANF funding (including \$100 million in state matching funds) for marriage promotion projects. The Senate has yet to take action on TANF legislation in the 108th Congress. Last year's Senate Finance Committee bill would have provided \$200 million annually for such projects. Although both bills included earmarked funds for such projects, there were differences in the types of programs they would fund, with the Finance Committee version allowing a broader range of activities. Both bills also provide new funding for other research and demonstration projects related to family formation.

For more information on TANF reauthorization proposals, see CRS Report RL31393, *TANF: Brief Comparison of Reauthorization Bills*, by Vee Burke.

The change to block grant funding in 1996 gave states the flexibility to spend funds to address the four broad purposes of TANF. To date, many states have not taken advantage of this flexibility to fund activities to promote marriage or to address out-of-wedlock births. In fact, if state matching funds are included, the House-passed bill would have provided \$300 million per year just for marriage promotion activities, almost three times what states chose to spend in FY2001 on activities to promote and support two-parent families. Instead of funding marriage promotion programs, states have focused on the first and second purposes of TANF, and have had great success in reducing dependence (as measured by caseload decline) and in increasing work participation among welfare recipients.

The types of family formation programs supported by the 107th and 108th Congresses face several obstacles. TANF's success in increasing work and reducing dependence occurred in tandem with a general trend of increasing participation by single mothers in the workforce. Attempts to reduce out-of-wedlock births and promote marriage, however, will be fighting against trends in the general population such as later marriage and cohabitation.

Efforts to affect family formation outcomes, which include very personal decisions, raise a number of questions about privacy and government interference. During the 1996 debate, there was much skepticism about government activity to influence family formation. More recent research suggests that Americans continue to be skeptical of the types of programs currently being promoted by lawmakers. A poll conducted in February-March 2002 found that the majority of Americans (79%) think the government should "stay out" of personal decisions about marriage, and

oppose the creation of government programs seeking to influence marriage decisions.⁶⁹

On the other hand, as noted, many unmarried mothers *do* want to marry. It is not yet clear, however, how government intervention could help these women achieve their goal. Among welfare recipients, there is some evidence that work-focused interventions can affect marital outcomes when they increase income and reduce poverty; such programs can also have positive effects on child well-being. However, most states' cash assistance programs currently operating under TANF are unlikely to increase income, and none include poverty reduction as an explicit goal. Although attempts to increase income among welfare recipients may increase dependence in the short-term, these efforts could have effects on family structure that could reduce dependence in the long run.

Some evidence suggests that addressing economic issues may also be key to promoting positive family formation outcomes among the general population. For this reason, critics of increased funding for marriage promotion and family formation argue that the funds should be used for other purposes, such as programs to provide education and training among low-income men.

There is still much research outstanding on the effects of different types of programs which seek to promote marriage and healthy families. Even when results become available, there are not likely to be easy answers. While there does seem to be a consensus in Washington that promoting healthy families is desirable, under current proposals increased funding for marriage promotion and family formation under TANF would likely come at the expense of spending on other parts of the program. As the Senate considers TANF reauthorization legislation, these issues can be expected to stimulate considerable discussion.

⁶⁹ Specifically, the question asked "In your view, should the government start up programs that encourage people to get and stay married or should the government stay out of this?" The survey was conducted by the Pew Research Center and is available at [<http://people-press.org/reports/display.php3?PageID=388>] In interpreting the results of this survey, one must remember that opinion polls are sensitive to the phrasing of the question.